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## Congress Needs to Help the Economy Fast

**By John Kerry  
And Kent Conrad**

**T**he historic inauguration of President Barack Obama went a long way toward renewing American hopes for a better future. But our nation's economy remains on shaky ground. We must act immediately to solidify our economy by addressing weaknesses in our financial and housing industries, while at the same time kick-starting job creation with our national economic stimulus plan.

Our country faces an economic crisis not seen since the Great Depression. The housing collapse caused a crisis in our financial institutions, triggering a broader economic slide that is eliminating jobs, shredding retirement accounts, and wiping out household wealth at a breathtaking pace.

In response to this crisis, President Obama has correctly called for an economic recovery package focused on job creation and short-term growth while boosting productivity in the long term. But a stimulus package by itself is not enough. If we are go-

ing to cure our economy, we need to address all these issues at once. We need a comprehensive, coordinated plan that ensures we have all the resources needed. We want to ensure we get this right now, so that we don't have to debate another Troubled Asset Relief Program (TARP) bill in a few months.

**Let's not debate  
another rescue bill  
in a few months.**

The challenge we face is clear. The credit crisis persists. We are living in a pervasive asset bubble. What our banks have been doing is defying the gravity of the marketplace by keeping assets artificially high. But no one can defy gravity—at least not over the long term. And the results are already apparent: Despite massive intervention by the federal government, the foreclosure crisis is worsening, credit markets remain in a deep freeze, and unemployment is soaring.

The economic models which forecast higher employment as a result of the recovery package assume a healthy financial sector. But that is not the situation we now face. Whether we like it or not, finance is the lifeblood of our economy. No matter how well we structure the economic recovery package, we cannot cure our economy without rooting out the intertwined infections in our housing and financial sectors, and ensuring that our financial institutions are healthy enough to extend credit to business.

Unfortunately, the Bush administration failed to fix the problems in our financial system, refused to help homeowners, and didn't pass stimulus measures to create jobs in order to lay the foundation for stronger economic growth in the future. Instead, it handed out large sums to struggling financial institutions under TARP in order to prevent a complete financial collapse. But it did so without consistency, without adequate transparency and accountability, and without restoring the credit availability that our econ-

omy desperately needs.

We cannot repeat these mistakes. We cannot continue to paper over the deep cracks in our financial sector while ignoring the serious weakness in our economy: soaring unemployment and rising bankruptcies and foreclosures. We need to act swiftly and boldly to restore solvency to our financial sector. It will be cheaper in the long run than continuing to throw money at a problem without solving it. This will require tough choices that could be costly or unpopular—likely both.

As President Obama said in his inaugural address, it's time to pick ourselves up, dust ourselves off, and get to work. We stand ready to help him clean up the economic mess he inherited, put America back to work, and renew America's economic leadership.

*Mr. Kerry, a Democratic senator from Massachusetts, is a senior member of the Senate Committee on Finance. Mr. Conrad, a Democratic senator from North Dakota, is chairman of the Senate Budget Committee.*